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21 May 1952
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SECURITY INFORMATION

Economic Intelligence Committee

Minutes of Meeting held in
Room 2101, Temporary "M" Building
26th and Constitution Avenue, N.W.

15 May 1952

PRESENT:

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Mr. Robert Amory, Jr., CIA, Chairman

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[REDACTED], CIA, Executive Secretary

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[REDACTED] CIA

[REDACTED] CIA

Mr. Edward Doherty, State

Mr. Howard Wiedemann, State

Lt. Col. George B. Russell, Army

Cdr. Donald C. Deane, Navy

Dr. James T. Lowe, Air Force

Mr. Paul Ledet, Air Force

Mr. William G. Welk, MSA

APPROVAL OF MINUTES

1. Action: The minutes of the Economic Intelligence Committee meeting of 15 April 1952 (EIC-M-15) were approved.

PROGRESS REPORT ON THE AIR FORCE CONTRIBUTION TO THE EIC PROJECT "ECONOMIC CAPABILITIES OF THE SOVIET BLOC TO SUPPORT GENERAL WAR"

2. Discussion: Dr. Lowe, Air Force, reported that the work on Phase I of the Capabilities Study was one-third completed and that the Air Force contribution should be ready for the Working Group on the presently scheduled date, 13 June.

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PROGRESS REPORT ON [REDACTED] INTELLIGENCE STUDY ON FRENCH INDOCHINA AND BURMA

3. Action: EIC members are to communicate to the Executive Secretary any additional suggestions for the proposed list of questions on Burma and French Indochina. It was agreed that CIA would again consult with the IAC members before arriving at a final composite list with the UK.

4. Discussion: Mr. Amory, CIA, reported that a proposed list of questions prepared by CIA on French Indochina and Burma had been rewritten to incorporate the suggestions of the IAC agencies and had been sent to [REDACTED]

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Developments in Indochina During the Remainder of 1951," demonstrated the importance of exchanging factual intelligence on Indochina and Burma. [REDACTED]

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DISCUSSION OF THE REVISED SURVEY OF INTELLIGENCE ON SOVIET BLOC MERCHANT SHIPPING

5. Action: The Executive Secretary was directed to assist the Transportation Subcommittee in redrafting the Appendix concerning the gaps or deficiencies in shipping intelligence information. Specific suggestions to be incorporated in the revised draft were as follows:

- (a) The nature of the intelligence deficiencies should be more specifically identified. In addition, the seriousness or extent of intelligence deficiency should be indicated.
- (b) The deficiencies listed in column I should be directly correlated with the end-use requirements listed in column II and with the possible methods of collection in column IV.
- (c) In presenting the end-uses for the intelligence listed as deficient, a distinction should be made between three broad areas of agency uses of economic intelligence. These areas include intelligence for (1) economic indications of military preparedness, (2) operational aspects of economic warfare, and (3) general economic analysis of capabilities. Within these categories more specific end-uses of top priority importance should be noted.
- (d) Agency priorities should be assigned in the light of end-uses.

SECOND CONSIDERATION OF A COMPREHENSIVE LIST OF EIC SUBCOMMITTEES

6. Action: Agreement was reached on the following points with regard to the drawing up of a comprehensive list of subcommittees:

- (a) The seven substantive subcommittees presently functioning will continue.
- (b) Subcommittees should be established at some future date to cover the following subjects:

Industrial Machinery and Equipment

Electronics and Telecommunications -- Lt. Col. Russell, Army, said that one of the major problems facing such a subcommittee would be recommendations for the collection of information.

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Electric Power and Solid Fuels -- It was agreed that care must be exercised in preparing terms of reference for this subcommittee to insure that all aspects of the solid fuels question would be covered and not just that portion which would contribute to the production of electric power.

Metals and Minerals

Consumer Goods Industries -- It was agreed that aggregates relating to consumers goods would be covered by the Subcommittee on Economic Analysis.

Military End-Items -- This subcommittee will cover all aspects related to the production of military end-items. At the suggestion of Commander Deane, Navy, it was agreed that in preparing its terms of reference, the subcommittee would indicate which groups of end-items it intends to cover. These terms of reference would, of course, be subject to EIC approval.

Construction Industry -- The EIC accepted the addition of a subcommittee on the Construction Industry. Mr. Doherty, State, pointed out that the terms of reference should be carefully defined.

7. The Executive Secretary was directed to prepare a revised list of EIC Subcommittees embodying the recommended changes.

8. The Chairman, Mr. Amory, undertook at the suggestion of the Committee, to discuss with appropriate persons the question of responsibility for intelligence relating to the economic aspects of Soviet production of fissionable materials. It was the sense of the meeting that further emphasis was required on the economic, as distinct from the scientific, aspects of this problem, and that therefore a subcommittee of the EIC should be created to coordinate this effort.

9. Discussion: It was pointed out that the Comprehensive List of Proposed EIC Subcommittees was drawn up to serve as an indication of the specialized field which the proposed subcommittees would be expected to cover and was not intended either to list subcommittees which should be set up immediately or to present precise definitions of subject matter coverage.

PRESENTATION OF THE SECOND EIC PROGRESS REPORT

10. Action: Copies of the second EIC Progress Report were distributed at the meeting. Members were requested to relay comments or criticisms to the Executive Secretary by 23 May.

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DISCUSSION OF PROPOSED TERMS OF REFERENCE FOR EIC SUBCOMMITTEE ON
GENERAL ECONOMIC ANALYSIS

11. Action: EIC members were asked to notify the Executive Secretary of any objections to the proposed terms of reference for the EIC Subcommittee on General Economic Analysis. If no objections are received by 23 May, it will be assumed that the proposed terms of reference are approved by the EIC, and the Chairman of the Subcommittee will be so notified.

SELECTION OF NEW CHAIRMAN FOR TRANSPORTATION SUBCOMMITTEE AND APPROVAL
OF NEW MEMBERS

12. Action: The EIC approved the appointment of Mr. Paul Bloom, Air Force, to serve as Chairman of the EIC Subcommittee on Transportation to replace Lt. Col. Cowart.

13. The following change in membership of the Economic Intelligence Committee was noted:

Dr. Norris G. Kenny
Deputy Chief, Office of
International Programs
Munitions Board
(To replace Dr. Joseph H. Taggart)

14. The following changes in EIC Subcommittee membership were presented for approval. If the Executive Secretary receives no objection to these nominees by 23 May, it will be assumed that they are approved.

Subcommittee on Chemicals

Mr. Louis Markwood
Office of International Trade
Department of Commerce

Dr. K. D. Jacob
Chief, Division of Fertilizer and
Agricultural Lime
Department of Agriculture

Mr. Rollin H. Cragg
Chemical Division
US Tariff Commission

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Mr. Frank Gonet
Chemical Division
US Tariff Commission

Mr. Lester Dutt
Chemical and Rubber Division
Office of Materials
Munitions Board
(Also serves as Alternate Associate Member
on the Agriculture Subcommittee)

Subcommittee on Requirements and Facilities for Collation

Lt. Col. James L. Bryan
Collection and Evaluation Section
Requirements Branch
Collection and Dissemination Division
Department of the Army
(To replace Lt. Col. Whitehorne)

Subcommittee on Transportation

Mr. Milton G. Nottingham
Deputy Chief, Cargo Branch
Transportation Division
Mutual Security Agency
(To replace Mr. James A. McCullough)

15. State Department notified the EIC that it has reversed the position of its members of the Transportation Subcommittee as follows:

Mr. Gustav Pollaczek
Transportation Branch
IFI, OIR
Department of State
(Member)

Mrs. Doris Whitnack
Transportation Branch
IFI, OIR
Department of State
(Alternate)

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16. Announcement was made of the appointment of [REDACTED] as Secretary of the EIC Subcommittee on Requirements and Facilities for Collation to replace [REDACTED].

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SECURITY CLASSIFICATION OF EIC PAPERS

17. Action: The Executive Secretary was directed to prepare a recommendation to the Security Officer of CIA to the effect that a down-grading of EIC material, similar to that approved for NIS, be approved.

18. Discussion: Commander Deane, Navy, recommended that the question of classification of papers referring to or issued by the Economic Intelligence Committee be reviewed. During the discussion, it was recommended that the term "EIC" itself be unclassified and that the full name "Economic Intelligence Committee," list of members, etc., be classified Confidential.

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Executive Secretary
Economic Intelligence Committee

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